



NOAA FISHERIES SERVICE

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

Finding of No Significant Impact for Brady's Oysters Loan National Marine Fisheries Service

December 9, 2014

FROM: Paul Marx – F/MB *PLM*

FOR: Brian Pawlak, Acting Office Director Management and Budget

SUBJECT: Environmental Assessment and Finding of No Significant Impact for issuance of a loan to Brady's Oysters, Inc. and Elk River Enterprises, LLP (herein, Brady's), Federal Fisheries Loan Program Number: FF-S-094

Proposed Action:

The National Marine Fisheries Service (NMFS) Headquarters, Office of Management and Budget, Fisheries Finance Program (FFP), is proposing to make a joint-applicant loan to Elk River Enterprises, LLP and Brady's Oysters, Inc. (Brady's) to finance 80 percent of the purchase cost of an existing shellfish aquaculture facility from Aquatic Harvest Inc. dba Westport Oysters (Westport), including acquisition of tideland leases, a vessel, and equipment, located in the South Bay of Grays Harbor County, Aberdeen, Washington. The loan will also include some debt refinancing associated with Brady's adjacent operating shellfish farm. The Proposed Action is limited to federal loan funding; it does not affect the regulation of shellfish farm operations or the related issuance of permits or authorizations.

Significance Findings

National Oceanic and Atmospheric Administration Administrative Order (NAO) 216-6 (May 20, 1999) contains criteria for determining the significance of the impacts of a proposed action. In addition, the Council on Environmental Quality regulations at 40 C.F.R. 1508.27 state that the significance of an action should be analyzed both in terms of "context" and "intensity." Each criterion listed below is relevant to making a finding of no significant impact and has been considered individually, as well as in combination with the others. The significance of this action is analyzed based on the NAO 216-6 criteria and CEQ's context and intensity criteria. These include:

1) Can the proposed action reasonably be expected to cause substantial damage to the ocean and coastal habitats and/or essential fish habitat as defined under the Magnuson-Stevens Act and identified in FMPs?

Response: The Action is not expected to cause substantial damage to ocean or coastal habitats, including geological and soil resources, wetlands, and other habitat, or essential fish habitat in

the near or long term. As indicated in Section 4.2.1 of the EA, the proposed action is the approval of a Federal loan. It primarily refinances an existing debt, and also provides financing for the applicant to acquire an existing shellfish farm adjacent to its own property. The proposed action would not alter or expand the current operations, and therefore will not have any effect on habitat. The property to be acquired is an established oyster operation which will not be changed, and thus will not have any additional effect on habitat.

2) Can the proposed action be expected to have a substantial impact on biodiversity and/or ecosystem function within the affected area (e.g., benthic productivity, predator-prey relationships, etc.)?

Response: As indicated in Section 4.2.1(viii) and (ix) of the EA, as well as the consultations on Nationwide Permit 48 referenced in the EA, the proposed action is not expected to have any direct or indirect impact on biodiversity or ecosystem function within the Grays Harbor area. The proposed action is to finance the acquisition of an existing operation, and to refinance the debt of another existing operation. The proposed action would not change or expand existing facilities or operations, and thus, it would not have any new impacts on biodiversity or ecosystem functions beyond those already evaluated in previous consultations and analyses connected with the building or operating of the facilities.

3) Can the proposed action reasonably be expected to have a substantial adverse impact on public health or safety?

Response: As indicated in Section 4.2.2 of the EA, the Proposed Action is not expected to have any impact on public health or safety, including air quality, environmental health and noise, and floodplains and flooding control. The facilities that would be supported with the proposed loan have been in existence since the 1980s, and the loan will not result in changes to facilities or operations that might affect public health or safety.

4) Can the proposed action reasonably be expected to adversely affect endangered or threatened species, their critical habitat, marine mammals, or other non-target species?

Response: The proposed action is not expected to adversely affect endangered or threatened species, their critical habitats, marine mammals or other non-target species, as discussed in Section 4.2.1(ix) of the EA. This is confirmed in the consultations on Nationwide Permit 48 referenced in the EA. The proposed action only involves financing and refinancing and would have no direct connection to or impact on endangered or threatened species, critical habitat, marine mammals, or other non-target species. With respect to indirect impacts, the two aquaculture operations affected by the proposed loan are currently in operation and would not be modified or expanded by the proposed action. Therefore, the facilities are not expected to have any new impacts on endangered or threatened species, critical habitat, marine mammals, or other non-target species beyond those already evaluated in previous consultations and analyses connected with the building or operating of the facilities.

5) Are significant social or economic impacts interrelated with natural or physical environmental effects?

Response: The Proposed Action would have no significant social or economic impacts. As discussed in Section 4.2.1(ii), (iii), and (v) of the EA, there are expected to be some positive economic impacts from the proposed action. However, these are not interrelated with natural or physical environmental effects, because the effect of the loan is to stabilize the borrower's financial condition, sustaining continued operation of existing facilities – not expanding or creating new facilities. Similarly, other existing human activities, such as energy and natural resources industries or recreation and education, will not be affected because the aquaculture operations are not being altered by the proposed financing.

6) Are the effects on the quality of the human environment likely to be highly controversial?

Response: There are no potential effects on the quality of the human environment that are likely to be highly controversial. As discussed in Sections 4.2.1 and 4.2.2 of the EA, there are no direct or indirect adverse effects on the human environment projected from the proposed action, because the financing would not expand or alter the current operations. Consequently, there are no effects that would be controversial.

7) Can the proposed action reasonably be expected to result in substantial impacts to unique areas, such as historic or cultural resources, park land, prime farmlands, wetlands, wild and scenic rivers, essential fish habitat, or ecologically critical areas?

Response: As discussed in Section 4.2.1 (ii), (v), (vi), and (viii) of the EA, there are no substantial impacts to unique areas projected for the proposed alternative. The proposed action is to finance and refinance an existing operation. As described in the EA, the existing operations are not in and do not affect any unique areas, including any areas eligible for listing on the National Register of Historic Places, and no changes or expansions to the operations are projected; therefore no impacts to unique areas are projected either.

8) Are the effects on the human environment likely to be highly uncertain or involve unique or unknown risks?

Response: As discussed in Section 4.2.2 of the EA, potential effects of the proposed action on the human environment have been examined and found to be negligible or non-existent, because the proposed action would not alter or expand an existing operation. The financing would not result in any added impacts to air quality, environmental health or noise, or flood plain control. Consequently, the impacts are neither uncertain, nor do they involve unique or unknown risks.

9) Is the proposed action related to other actions with individually insignificant, but cumulatively significant impacts?

Response: The proposed action is not related to other actions, including actions involving the Port of Chehalis, U.S. Army Corps of Engineers, or Washington Department of Natural Resources. As discussed in Section 5.2 of the EA, the proposed loan would finance existing operations but not alter or expand those operations. The loan and the existing operations would not be related in time or geography with other actions in the general area of Grays Harbor. Thus, no cumulatively significant impacts are identified.

10) Is the proposed action likely to adversely affect districts, sites, highways, structures, or objects listed in or eligible for listing in the National Register of Historic Places or may cause loss or destruction of significant scientific, cultural or historical resources?

Response: No districts, sites, highways, structures or objects listed in or eligible for listing in the National Register of Historic Places, and no significant scientific, cultural, or historical resources would be affected by the proposed action. As discussed in Sections 3.1 and 4.2.1(ii) of the EA, the proposed loan is to finance the acquisition of an existing operation and to refinance other debt. No changes or expansions to the operations would result, and there are no districts, sites, highways, structures, or objects listed in or eligible for listing in the National Register of Historic Places or any significant scientific, cultural, or historical resources in the area of the existing operations. The proposed action would affect only existing, adjacent oyster-growing operations, which would not be altered by the requested loan.

11) Can the proposed action reasonably be expected to result in the introduction or spread of a nonindigenous species?

Response: As indicated in Section 3.2.1 and 4.2.1(ix) of the EA, the proposed action is not expected to result in the introduction or spread of a nonindigenous species. The existing aquaculture operation supports growing and harvesting primarily two varieties of oyster, *Crassostrea Gigas* and *Crassostrea Sikamea* (Kumomoto), which are common species in this region for aquaculture cultivation. The latter variety was imported from the Far East in the 1940s and is encouraged by the State of Washington, and thus has effectively become a local species. The proposed action would not involve any other nonindigenous species, and the impacts of the proposed action are not expected to affect any other nonindigenous species, because both shellfish facilities are currently in operation and the proposed action would not alter or expand the current operations or have any effects on biological resources.

12) Is the proposed action likely to establish a precedent for future actions with significant effects or represents a decision in principle about a future consideration?

Response: The proposed action is not likely to establish a precedent for future actions with significant effects, and it does not represent a decision in principle about any future considerations or an irreversible commitment of resources. As described in Section 4.5 of the EA, future FFP loans may be contemplated for aquaculture projects, but each potential future aquaculture project would have to qualify for a loan on its own merits, the purpose and

environmental setting of each potential loan would be unique, and the potential environmental effects of each potential loan would be assessed individually, so the proposed action would not establish a precedent or a decision in principle for future loans.

13) Can the proposed action reasonably be expected to threaten a violation of Federal, State, or local law or requirements imposed for the protection of the environment?

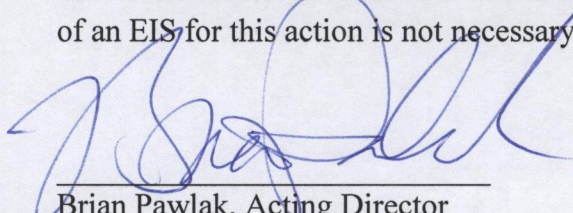
Response: The proposed action is not expected to threaten a violation of Federal, State, or local law or requirements imposed for the protection of the environment. As indicated in Sections 1.3, 2.1, and 4.2 of the EA, the proposed loan would be in accordance with its governing statutes (Chapter 537 of the Shipping Act and the Magnuson-Stevens Fishery Conservation and Management Act). The subject aquaculture operations are permitted under the provisions of the U.S. Army Corps of Engineers Nationwide Permit 48, as well as Federal and State permits and requirements, and the proposed action would not change or expand the existing operations.

14) Can the proposed action reasonably be expected to result in cumulative adverse effects that could have a substantial effect on the target species or non-target species?

Response: There is no reasonable expectation of the proposed action resulting in cumulative adverse effects, considering past, present, and reasonably foreseeable future actions in the area of the project. As discussed in Section 5.2 of the EA, future actions such as harbor channel dredging, the Port Chehalis revetment project, and the Grays Harbor Long Term Management Strategy, would not overlap in time or geography with or be affected by the operations at Brady's or Westport, and since the proposed action would not expand or alter these operations, no cumulative impacts are expected.

DETERMINATION

In view of the information presented in this document and the analysis contained in the supporting Environmental Assessment prepared for making a loan to refinance existing debt and to acquire an adjacent aquaculture facility, it is hereby determined that the Brady's Oyster loan will not significantly impact the quality of the human environment as described above and in the Environmental Assessment. In addition, all beneficial and adverse impacts of the proposed action have been addressed to reach the conclusion of no significant impacts. Accordingly, preparation of an EIS for this action is not necessary.



Brian Pawlak, Acting Director
Office of Management and Budget

12/12/14
Date